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CENTRAL INTELLIGENCE BULLETIN



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CENTRAL INTELLIGENCE BULLETIN

29 January 1959

DAILY BRIEF

I. THE COMMUNIST BLOC

ok USSR: The Moscow Home Service version of Khrushchev's speech before the party congress includes a statement omitted from the TASS summary of his speech, that "serial production of intercontinental ballistic rockets has been organized." Taken at face value, this would mean that the USSR is in a position to produce a standardized ICBM at a planned rate for delivery to operational users.

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ok Communist China - USSR: Speaking first among foreign delegates at the 21st party congress, Premier Chou En-lai stated that US and Yugoslav efforts to hinder Sino-Soviet unity "are in vain." Chou's remarks and Khrushchev's statement at the congress that there "cannot be" disagreements reflect a mutual awareness of the importance of the alliance and a mutual determination to minimize the effects of any differences such as those over the commune program.

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II. ASIA-AFRICA

Watch Committee conclusion--Middle East and Southeast Asia: Situations susceptible of direct exploitation by Sino-Soviet hostile action which would jeopardize US interests exist in the Middle East and Southeast Asia, particularly in Iraq and Cambodia.

no Middle East: Although the situation in the Middle East remains precarious, a deliberate initiation of large-scale hostilities is unlikely in the immediate future.

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no Sudan: Despite a stalemate in the Nile waters dispute with the UAR and an approaching cotton-marketing and financial crisis, the Abboud government has publicly committed itself to begin construction this year of its own \$100,000,000 dam on the Upper Nile. The Sudanese Government, which wants to demonstrate economic progress to improve its political prospects, is seeking increased Western aid but could ill-afford to

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DAILY BRIEF

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Turn down any Soviet offers of development credits or cotton barter deals. A Soviet economic mission has been scheduled to arrive in Khartoum shortly.] [redacted]
(Page 5) (Map)

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no Indonesia: [President Sukarno and the Indonesian cabinet are reported to have agreed on a reorganization of the government's structure that would considerably strengthen executive powers and have as a major purpose the reduction of Communist strength and influence. Indonesian political party leaders have yet to be consulted on these plans, which are scheduled to be presented to the Constituent Assembly in about two months.] [redacted]

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III. THE WEST

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no Argentina: Strong pressure for outlawing the Communist party will be exerted by the police and Foreign Ministry when President Frondizi returns home on 2 February. The government claims it has evidence of Soviet support of the recent general strike as well as the petroleum workers' strike last October. The Foreign Ministry is reported to have made strong representations to the Soviet ambassador based on this evidence. The Communist party offices and newspapers were closed by the police on 18 January. [redacted]
[redacted]

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DAILY BRIEF

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I. THE COMMUNIST BLOC

Khrushchev's Claim of ICBM Series Production

Khrushchev told the 21st party congress that "in the Soviet Union, serial production of intercontinental ballistic rockets has been organized," according to the Moscow Home Service summary of his speech.

According to a 1957 Soviet text on aircraft production, there are three stages involved in putting a new item into series production: preparation for production; mastery of the processes of manufacturing by the production line; series production and mastery of modifications. A missile is considered to be in "serial production" when a standardized version is being produced at planned rates for delivery to operational units.

Khrushchev's statement of 12 November 1958 that "production of ICBMs has been set up successfully" clearly implied that the second stage above had been completed. His statement of 27 January 1959, as broadcast by Moscow Home Service, implies further progress; it indicates that all preparations for the third stage have been completed and perhaps a few ICBMs have been serially produced for delivery to operational units.

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Chou En-lai's Speech to Soviet 21st Party Congress

Speaking first among foreign delegates at the Soviet 21st party congress, Premier Chou En-lai on 28 January said US and Yugoslav efforts to hinder Sino-Soviet unity are in vain. "Our two countries are the closest of comrades-in-arms, long tried and true," Chou said, pointing out the "common road and laws" of bloc countries. His remarks and Khrushchev's statement the preceding day that there "cannot be" disagreements between Moscow and Peiping reflect the determination of Chinese and Soviet leaders to minimize the effects on the Sino-Soviet working relationship of recent differences over the commune program.

Following Peiping's current practice, Chou sought to make it clear that communes are specifically designed for Chinese conditions and are not necessarily intended for export. His statement that China would require "15 or 20 years or a bit longer" to achieve socialism acknowledged the revision of earlier timetables which had proved irksome to the USSR. Both Chou and Mao--whose letter of greeting was read by the Chinese premier--praised Soviet achievements and the Seven-Year Plan. Citing the "brilliant example" of the Soviet Union, Chou said it was the "sacred duty" of every Communist to strengthen the unity of the socialist camp led by the USSR and of the international Communist movement "centered around" the CPSU.

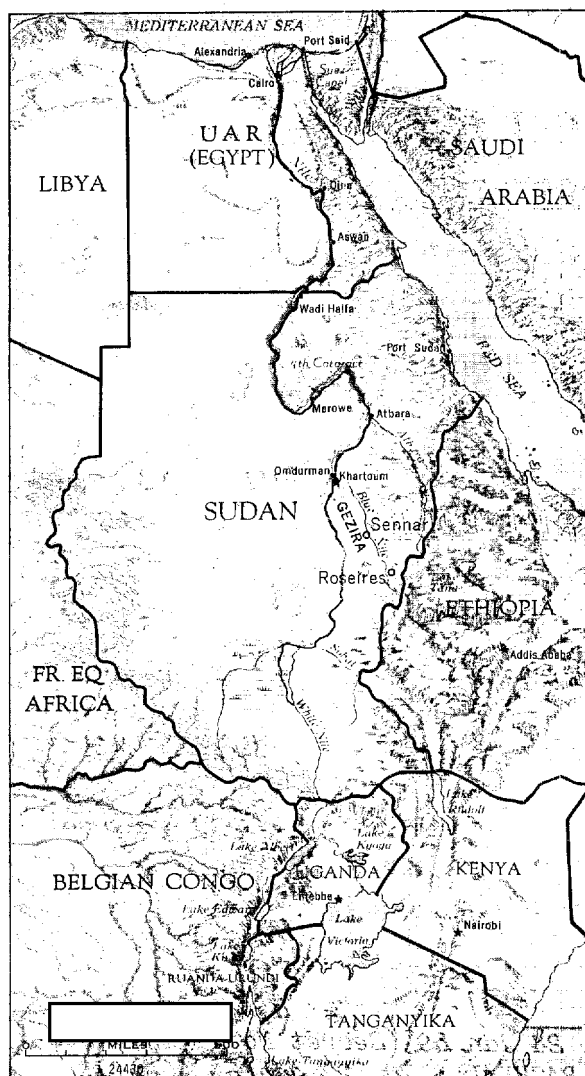
Despite these modifications in the Chinese position, Chou reaffirmed the Chinese view that the communes are a unique social unit which will facilitate the future transition to Communism. Khrushchev had told the congress that Peiping was employing many "original forms of socialist construction" but avoided specific reference to the communes.

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Sudanese Development Plans

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[The Sudan has committed itself to an ambitious economic development program, the key part of which is the \$100,000,000 Roseires Dam on the Blue Nile. The government is determined to begin construction of the dam this year, despite its stalemate with the UAR on the Nile waters dispute and despite the fact that it has not yet been able to arrange for the necessary financial aid. The International Bank has been unwilling to make a loan without a prior solution of the Nile waters question; Sudanese officials have hinted at direct US grant-aid, arguing that a start on their own dam would increase their bargaining power with Nasir and lead to a fair settlement of the dispute.]

[A Soviet economic mission is scheduled to visit Khartoum early in February. While the Sudanese Government has privately stressed its preference for increased Western aid, it could ill afford to turn down any Soviet offers of development credits or cotton-barter deals.]

[The Sudan, which depends on cotton exports for about 70 percent of its government revenue, faces an economic crisis because of failure to move its large cotton stocks. Sales in 1957 were only about half the satisfactory level of 1956; they fell off still further in 1958. This year's stocks--last year's carry-over plus the bumper crop now being harvested--will be in the neighborhood of 870,000 US bales, the largest in Sudanese history. Marketing prospects are dismal unless the Abboud government barter substantial amounts to the Sino-Soviet bloc countries and drastically cuts prices for cash sales to the West.]

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President Sukarno Presses for Reorganization of Indonesian Government

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[President Sukarno has won the agreement of the Indonesian cabinet for an extensive reorganization of the government structure. According to Prime Minister Djuanda, Sukarno has convinced the cabinet that the government should return to the "1945 constitution" under which the revolt against the Dutch was conducted. This highly flexible document provided for a strong executive. The elected Constituent Assembly will be asked to adopt it in two months.]

[The cabinet is also said to have agreed with Sukarno on a new legislative body, one half of which would be composed of appointed "functional" representatives drawn from such groups as the army, labor, youth, and veterans. The representatives would be nominated by the groups themselves, but President Sukarno would make the final decision on appointments. The other half of parliament would be elected. Djuanda views the screening process for appointive members as a device to limit Communist influence in parliament and believes further postponement of general elections beyond 1960 would then be unnecessary.]

[Political parties, including the Communists, prefer a smaller number of appointed representatives, and further consultations between party leaders and Sukarno are pending. The Communists, who earlier took a strong opposing position, now are attempting to make the National party bear the onus of opposition to Sukarno.]

[Sukarno's plans represent another approach toward his concept of "guided democracy" and, in their present form, appear to have strong army support. Their implementation depends on Sukarno's willingness to overrule or compromise with the political parties.]

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